

BEFORE
THE PUBLIC SERVICE COMMISSION OF
SOUTH CAROLINA
DOCKET NO. 2017-292-WS - ORDER NO. 2019-623
SEPTEMBER 4, 2019

IN RE: Application of Carolina Water Service,)	ORDER GRANTING
Incorporated (n/k/a Blue Granite Water)	REHEARING AND
Company) for Approval of an Increase in Its)	RECONSIDERATION
Rates for Water and Sewer Services)	

This matter comes before the Public Service Commission of South Carolina (“Commission”) on the Petition for Rehearing and Reconsideration of Commission Order No. 2018-802 filed by Blue Granite Water Company, f/k/a Carolina Water Service, Inc. (“Blue Granite” or “Company”). Blue Granite asserts that the Commission erred as follows:

1. Blue Granite represents that the basis for the Commission’s ruling on recovery of litigation expenses for the *Riverkeeper* case was different from the basis upon which the Commission granted rehearing on that issue in Order No. 2018-494, in violation of the Administrative Procedures Act and the South Carolina and United States Constitutions.

2. Blue Granite asserts that this Commission earlier granted rehearing in order to determine the reasonableness of the utility’s attorneys’ fees in the case, but not the separate question of whether the expenses were reasonable and necessary to the provision by CWS of utility services to its customers. The Company argues that the Commission

erred as a matter of law in denying the *Riverkeeper* litigation expenses, which it characterizes as prudent, reasonable, unavoidable, and beneficial to ratepayers.

3. Blue Granite maintains that the Commission erred by not ordering the Company to account for the *Riverkeeper* litigation expenses in a regulatory asset to be considered in a future rate case after the resolution of the litigation. Subsequent to the issuance of Order No. 2018-802, the *Riverkeeper* case was settled, and Blue Granite has filed copies of the Settlement Agreement and Consent Order and Final Judgment as exhibits appended to its Supplemental Memorandum in Support of Petition for Rehearing or Reconsideration.

The Company has filed a Supplemental Memorandum in Support of its Petition for Rehearing and Reconsideration, and with it has submitted two Exhibits which deal directly with the *Riverkeeper* litigation that is the subject of its Petition. The Company asserts that it may provide such additional evidence pursuant to 58-5-330, which allows the Commission upon an application for rehearing to consider all the facts, including those arising since the making of the order.


In correspondence dated June 24, 2019, counsel for Blue Granite informed the Commission that the parties had agreed that an additional evidentiary hearing would not be necessary and suggested that oral arguments addressing the Company's request for recovery of the litigation expenses in dispute, followed by the submission of proposed orders to the Commission, would suffice.

Accordingly, the Commission grants rehearing on the issues raised in the petition to consider all the facts and evidence, including the materials relating to the settlement

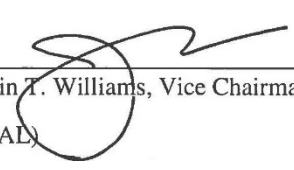
entered subsequent to the entry of Order No. 2018-802. Commission Staff is instructed to set a date on which oral arguments are to be held, and the parties shall submit proposed orders following the oral arguments.

This Order shall remain in full force and effect until further order of the Commission.

BY ORDER OF THE COMMISSION:



Comer H. Randall, Chairman



Justin T. Williams, Vice Chairman

(SEAL)

**SEQUENCE TO BE FOLLOWED FOR PROOF-READING, APPROVING AND
PROCESSING ORDERS**

COMPANY: Blue Granite Water Co.		
ORDER GRANTING REHEARING AND RECONSIDERATION		
DOCKET NO.2017-292-WS		ORDER NO. 2019-623
	INITIALS	DATE
TYPED BY	brd	07/26/19
PROOF-READ BY	Hha - AM	8-7-19
GENERAL COUNSEL		
ENGINEER/TECHNICAL ADVISOR		
SENIOR COUNSEL		
EXECUTIVE ASSISTANT TO COMMISSIONERS		
COMMISSION ATTORNEY		
EXAVALT		
E-SERVICE		
MAILED BY		
RECEIPTS RECEIVED		
OTHER (specify)		